

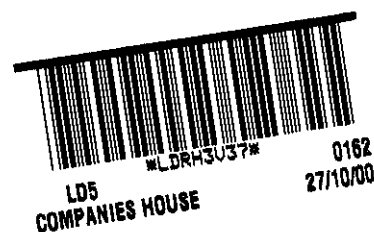
**DUNCAN BAIRD PUBLISHERS LIMITED**

**COMPANY REGISTERED NO: 2650152**

**REGISTRAR**

**REPORT AND FINANCIAL STATEMENTS**

**31ST DECEMBER 1999**



**Arnold Hill & Co**

**Chartered Accountants**

**Craven House  
16 Northumberland Avenue  
London WC2N 5AP**

**DUNCAN BAIRD PUBLISHERS LIMITED****DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the year ended 31st December 1999.

**REVIEW OF THE BUSINESS**

The main activity of the group is the creation, design and production of non-fiction illustrated books for international markets.

**RESULTS AND DIVIDENDS**

The group's trading profit for the year before tax was £ 17,149 (1998: Profit £ 8,741).

The directors do not recommend the payment of a dividend.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company who served during the year, and their interests in the share capital, are as follows:

	<u>31st</u> <u>December</u> <u>1999</u> <u>Ordinary</u> <u>Shares of £1</u>	<u>31st</u> <u>December</u> <u>1998</u> <u>Ordinary</u> <u>Shares of £1</u>
D N C Baird	271,649	271,694
D J Attwooll	1,250	1,250
J P Mitchell	120,332	120,332
R M Saxton	20,266	20,266
R J Walton	34,350	34,350
A W J Mitchell	45,825	45,825
N J Foster	-	-
A Mirken	100,557	100,557

**DUNCAN BAIRD PUBLISHERS LIMITED****DIRECTORS' REPORT (CONTINUED)****RESPONSIBILITY STATEMENT**

With regard to accounting and financial matters, directors have clearly defined responsibilities.

Under Company Law, they are required to prepare financial statements each year and to present them to the Members at an Annual General Meeting. The form of the financial statements is prescribed by the Companies Act 1985 and they must give a true and fair view of the state of affairs of the company at the end of the year and of the result for the year. The financial statements should be prepared on a going concern basis unless it is inappropriate. The directors are responsible for the selection and consistent application of suitable accounting policies and, where necessary, for making prudent and reasonable estimates and judgements.

Additionally, the directors are responsible for safeguarding the assets of the company, for maintaining adequate accounting records and for preventing and detecting irregularities such as fraud.

**AUDITORS**

In accordance with Section 35 of the Companies Act 1985, a resolution to reappoint the auditors, Messrs Arnold Hill & Co, will be proposed at the Annual General Meeting.

**ON BEHALF OF THE BOARD**

D N C BAIRD

Director

Date: 25. 02. 2000

**DUNCAN BAIRD PUBLISHERS LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and accounting policies set out on pages 8 and 9.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31st December 1999 and of the group's profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Arnold Hill & Co**  
Chartered Accountants and Registered Auditors  
Craven House  
16 Northumberland Avenue  
London WC2N 5AP

*Arnold Hill & Co*

Date: 26 October 2000

**DUNCAN BAIRD PUBLISHERS LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1999**

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<b>TURNOVER</b>	1, 2	4,548,297	4,510,296
Cost of Sales		<u>(3,538,669)</u>	<u>(3,720,087)</u>
<b>GROSS PROFIT</b>		1,009,628	790,209
Administrative Expenses		<u>(899,627)</u>	<u>(658,410)</u>
<b>OPERATING PROFIT</b>	3	110,001	131,799
Interest Receivable and Similar Income	6	4,264	4,860
Interest Payable and Similar Charges	7	<u>(97,116)</u>	<u>(127,918)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		17,149	8,741
Taxation	8	<u>(1,119)</u>	<u>(2,098)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>£ 16,030</u>	<u>£ 6,643</u>

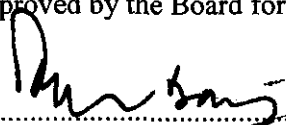
The group had no recognised gains or losses other than the profit for the year and all its operations were continuing.

The notes on pages 7 to 17 form part of these financial statements.

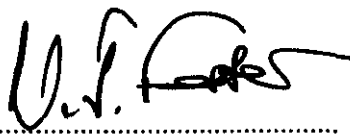
**DUNCAN BAIRD PUBLISHERS LIMITED****BALANCE SHEET****AS AT 31ST DECEMBER 1999**

	<u>Notes</u>	<u>Group</u> <u>1999</u> <u>£</u>	<u>Group</u> <u>1998</u> <u>£</u>	<u>Company</u> <u>1999</u> <u>£</u>	<u>Company</u> <u>1998</u> <u>£</u>
<b>FIXED ASSETS</b>					
Intangible Assets	9	5,492	20,850	5,492	20,850
Tangible Assets	10	96,184	113,959	96,184	113,660
Investments	11	5,000	5,000	5,000	5,000
		<u>106,676</u>	<u>139,809</u>	<u>106,676</u>	<u>139,510</u>
<b>CURRENT ASSETS</b>					
Stock and Work in Progress	12	1,074,994	1,211,140	1,074,994	1,211,140
Debtors	13	1,490,199	1,263,019	1,490,384	1,263,852
Cash at Bank and in Hand		302,179	128,405	302,179	127,427
		<u>2,867,372</u>	<u>2,602,564</u>	<u>2,867,557</u>	<u>2,602,419</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(2,284,860)</u>	<u>(2,014,215)</u>	<u>(2,284,860)</u>	<u>(2,013,826)</u>
<b>NET CURRENT ASSETS</b>		<u>582,512</u>	<u>604,349</u>	<u>582,697</u>	<u>588,593</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>689,188</u>	<u>728,158</u>	<u>689,373</u>	<u>728,103</u>
<b>CREDITORS: Amounts falling due in more than one year</b>	15	<u>(151,250)</u>	<u>(206,250)</u>	<u>(151,250)</u>	<u>(206,250)</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>£ 537,938</u>	<u>£ 521,908</u>	<u>£ 538,123</u>	<u>£ 521,853</u>
<b>CAPITAL AND RESERVES</b>					
Called Up Share Capital	16	784,056	784,056	784,056	784,056
Share Premium Account	17	703,689	703,689	703,689	703,689
Profit and Loss Account	17	<u>(949,807)</u>	<u>(965,837)</u>	<u>(949,622)</u>	<u>(965,892)</u>
<b>SHAREHOLDERS' FUNDS - EQUITY</b>	18	<u>£ 537,938</u>	<u>£ 521,908</u>	<u>£ 538,123</u>	<u>£ 521,853</u>

Approved by the Board for signing on 25/10/00

  
 .....  
 D N C BAIRD

Directors

  
 .....  
 N J FOSTER

The notes on pages 7 to 17 form part of these financial statements.

**DUNCAN BAIRD PUBLISHERS LIMITED****GROUP CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER 1999**

		<u>1999</u>	<u>1999</u>	<u>1998</u>	<u>1998</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	a		275,547		(379,864)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest Received		4,264		4,860	
Interest Paid		<u>(97,116)</u>		<u>(126,318)</u>	
<b>NET CASHFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			(92,852)		(121,458)
<b>TAXATION</b>					
Withholding Tax Paid		<u>(1,119)</u>		<u>(2,098)</u>	
<b>NET CASHFLOW FROM TAXATION</b>			(1,119)		(2,098)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Purchase of Tangible Fixed Assets		(38,253)		(50,145)	
Sale of Tangible Fixed Assets		<u>299</u>		<u>7,564</u>	
<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>			<u>(37,954)</u>		<u>(42,581)</u>
<b>NET CASHFLOW BEFORE FINANCING</b>			143,622		(546,001)
<b>FINANCING</b>					
Issue of Ordinary Shares		-		429,990	
New Secured Loan Repayable by Instalments		-		275,000	
Secured Loan Repaid		<u>(55,000)</u>		<u>(13,750)</u>	
<b>NET CASHFLOW FROM FINANCING</b>			<u>(55,000)</u>		<u>691,240</u>
<b>INCREASE IN CASH</b>	b		<u>£ 88,622</u>		<u>£ 145,239</u>

The notes on pages 7 to 17 form part of these financial statements.

## DUNCAN BAIRD PUBLISHERS LIMITED

## NOTES TO THE GROUP CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST DECEMBER 1999

## a) RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Operating Profit	110,001	131,799
Depreciation Charges	70,858	81,726
Gain on Disposal of Fixed Assets	229	7,638
Decrease/(Increase) in Stocks	136,146	(25,782)
Increase in Debtors	(227,180)	(353,192)
Increase/(Decrease) in Creditors	186,159	(223,528)
Exchange Difference	(666)	1,475
Net Cash Inflow/(Outflow) From Operating Activities	<u>£ 275,547</u>	<u>£ (379,864)</u>

## b) RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Increase in Cash in the Year	88,622	145,239
Cash Outflow/(Inflow) from Decrease/(Increase) in Debt	55,000	(261,250)
Change in Net Debt Resulting from Cashflows	143,622	(116,011)
Translations Difference	666	(1,475)
Movement in Net Debt in the Year	144,288	(117,486)
Net Debt at 1 January 1999	(221,017)	(103,531)
Net Debt at 31 December 1999	<u>£ (76,729)</u>	<u>£ (221,017)</u>

## c) ANALYSIS OF NET DEBT

	<u>At 1st</u> <u>January</u> <u>1999</u>	<u>Cash Flow</u>	<u>Exchange</u> <u>Movement</u>	<u>At 31st</u> <u>December</u> <u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cash at Bank and in Hand	128,405	173,108	666	302,179
Bank Overdraft	(88,172)	(84,486)	-	(172,658)
		88,622		
Debt Due After One Year	(206,250)	55,000	-	(151,250)
Debt Due Within One Year	(55,000)	-	-	(55,000)
	<u>£ (221,017)</u>	<u>£ 143,622</u>	<u>£ 666</u>	<u>£ (76,729)</u>



**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****1. ACCOUNTING POLICIES****a) Accounting Convention**

The financial statements are prepared under the historical cost convention and in accordance with all applicable Accounting Standards.

**b) Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling for the month in which the transaction takes place. All differences are taken to the profit and loss account.

**c) Depreciation**

Depreciation is calculated on the leasehold improvements to write off their cost by equal instalments over the lifetime of the lease.

Depreciation is calculated so as to write off the cost of the remaining tangible fixed assets over their estimated useful lives as follows:

Computers	33% reducing balance
Fixtures, Fittings and Equipment	25% reducing balance

**d) Amortisation**

Amortisation is calculated on copyrights to write off their cost over their estimated useful economic life of three years.

**e) Basis of Consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking using acquisition accounting.

The company has taken advantage of the dispensation under S 230 of the Companies Act 1985 not to publish its own profit and loss account. The company's profit for the year after taxation was £ 16,270 (1998: Loss £ (4,439)).

**f) Turnover**

Turnover represents the invoiced amounts of goods sold and services provided net of VAT.

**g) Work in Progress**

Work in progress comprises direct costs, including labour costs, and attributable overheads incurred in the production of books. On publication of a title, the attributable costs are written off in proportion to the anticipated sales pattern.

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****1. ACCOUNTING PRINCIPLES (CONT)****h) Operating Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the operating profit.

**2. TURNOVER BY GEOGRAPHICAL MARKET**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
United Kingdom	576,940	676,544
Rest of Europe	2,671,432	2,570,869
North America	1,161,461	1,082,471
Rest of World	138,464	180,412
	<hr/>	<hr/>
	<u>£ 4,548,297</u>	<u>£ 4,510,296</u>

**3. OPERATING PROFIT**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Depreciation	55,500	58,045
Amortisation	15,358	23,382
Auditor's Remuneration	9,600	7,980
Audit		
Non Audit	1,670	800
Loss on Foreign Currency Exchange	12,298	3,282
Operating Lease Rentals	93,578	61,080
	<hr/>	<hr/>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****4. DIRECTORS' EMOLUMENTS**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Salaries	236,838	250,873
Pensions	19,996	19,996
	<u>£ 256,834</u>	<u>£ 270,869</u>

The Conduit Mead Company Limited, a company of which N J Foster is a director, received £ 25,450 in respect of his services in the year (1998: £ 27,500).

The number of directors accruing benefits under money purchase schemes was 3 (1998: 3).

**5. STAFF COSTS**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	774,891	890,146
Social Security Costs	75,001	87,576
Pension Costs	21,960	24,257
	<u>£ 871,852</u>	<u>£ 1,001,979</u>

The average number of staff employed by the group was as follows:

	<u>1999</u>	<u>1998</u>
	<u>No</u>	<u>No</u>
Book Creation	27	31
Sales	4	5
Administration	4	5
	<u>35</u>	<u>41</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Bank Interest	<u>£ 4,264</u>	<u>£ 4,860</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Interest and Charges	19,950	32,177
Other Interest	<u>77,166</u>	<u>95,741</u>
	<u>£ 97,116</u>	<u>£ 127,918</u>

**8. TAXATION**

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Irrecoverable Withholding Tax	<u>£ 1,119</u>	<u>£ 2,098</u>

There is no corporation tax liability for the year due to losses brought forward.

**9. INTANGIBLE FIXED ASSETS****- GROUP AND COMPANY**

	<u>Copyrights</u> <u>£</u>
<b>Cost</b>	
At 1 January 1999 and 31 December 1999	<u>60,523</u>
<b>Depreciation</b>	
At 1 January 1999 and Charge for Year	<u>39,673</u> <u>15,358</u>
At 31 January 1999	<u>55,031</u>
<b>Net Book Value</b>	
At 31 December 1999	<u>£ 5,492</u>
At 31 December 1998	<u>£ 20,850</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****10. TANGIBLE FIXED ASSETS  
GROUP**

	<u>Leasehold Improvements</u> £	<u>Fixtures, Fittings &amp; Equipment</u> £	<u>Total</u> £
<b>Cost</b>			
At 1st January 1999	54,551	288,381	342,932
Additions	10,119	30,171	40,290
Disposals	-	(98,998)	(98,998)
At 31st December 1999	<u>64,670</u>	<u>219,554</u>	<u>284,224</u>
<b>Depreciation</b>			
At 1st January 1999	45,906	183,067	228,973
Charge for year	9,489	46,011	55,500
Release on Disposals	-	(96,433)	(96,433)
At 31st December 1999	<u>55,395</u>	<u>132,645</u>	<u>188,040</u>
<b>Net Book Value</b>			
At 31st December 1999	<u>£ 9,275</u>	<u>£ 86,909</u>	<u>£ 96,184</u>
At 31st December 1998	<u>£ 8,645</u>	<u>£ 105,314</u>	<u>£ 113,959</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****10. TANGIBLE FIXED ASSETS (CONTINUED)**  
**- COMPANY**

	<u>Leasehold Improvements</u> £	<u>Fixtures, Fittings &amp; Equipment</u> £	<u>Total</u> £
<b>Cost</b>			
At 1st January 1999	54,551	283,121	337,672
Additions	10,119	30,171	40,290
Disposals	-	(93,738)	(93,738)
At 31st December 1999	<u>64,670</u>	<u>219,554</u>	<u>284,224</u>
<b>Depreciation</b>			
At 1st January 1999	45,906	178,106	224,012
Charge for year	9,489	45,712	55,201
Disposals	-	(91,173)	(91,173)
At 31st December 1999	<u>55,395</u>	<u>132,645</u>	<u>188,040</u>
<b>Net Book Value</b>			
At 31st December 1999	<u>£ 9,275</u>	<u>£ 86,909</u>	<u>£ 96,184</u>
At 31st December 1998	<u>£ 8,645</u>	<u>£ 105,015</u>	<u>£ 113,660</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****11. INVESTMENTS**

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Subsidiary	2	2
Less - provision against fall in value	<u>(2)</u>	<u>(2)</u>
	<u>£ -</u>	<u>£ -</u>
Unquoted Investments, at Cost	<u>£ 5,000</u>	<u>£ 5,000</u>

The only subsidiary is Siena Artworks Limited, a company registered in England and Wales, whose principal activity is artwork production. The group owns all of the issued shares of the company.

**12. STOCK AND WORK IN PROGRESS**

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Work in Progress	915,597	961,154	915,597	961,154
Author Advances	54,539	25,294	54,539	25,294
Book Stocks	<u>104,858</u>	<u>224,692</u>	<u>104,858</u>	<u>224,692</u>
	<u>£ 1,074,994</u>	<u>£ 1,211,140</u>	<u>£ 1,074,994</u>	<u>£ 1,211,140</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****13. DEBTORS**

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Amounts falling due within one year:</b>				
Trade Debtors	1,366,449	1,120,979	1,366,449	1,120,979
Other Debtors	31,003	21,656	31,003	21,655
Amounts owed by Subsidiary				
Undertakings	-	-	185	834
Prepayments and Accrued Income	73,547	101,184	73,547	101,184
	<u>1,470,999</u>	<u>1,243,819</u>	<u>1,471,184</u>	<u>1,244,652</u>
<b>Amounts falling due after more than one year:</b>				
Other Debtors - Rent Deposits	19,200	19,200	19,200	19,200
	<u>£ 1,490,199</u>	<u>£ 1,263,019</u>	<u>£ 1,490,384</u>	<u>£ 1,263,852</u>

**14. CREDITORS: Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank Overdraft	172,658	88,172	172,658	88,172
Trade Creditors	1,189,157	1,303,729	1,189,157	1,303,729
Other Creditors including Taxation and Social Security Costs	192,165	103,999	192,165	103,610
Loan	55,000	55,000	55,000	55,000
Accruals	36,826	40,728	36,826	40,728
Advances	639,054	422,587	639,054	422,587
	<u>£ 2,284,860</u>	<u>£ 2,014,215</u>	<u>£ 2,284,860</u>	<u>£ 2,013,826</u>

The bank overdraft is secured by a mortgage over the company's assets and by a floating charge over the credit balance on the company's UK based US dollar bank account.



**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****15. CREDITORS: Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loan	<u>£ 151,250</u>	<u>£ 206,250</u>	<u>£ 151,250</u>	<u>£ 206,250</u>

The Loan is secured by a fixed and floating charge over the company's assets subject that the charge described in note 13 shall rank in priority.

**16. CALLED UP SHARE CAPITAL**

	<u>1999</u>	<u>1999</u>	<u>1998</u>	<u>1998</u>
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
<b>Authorised</b>				
Ordinary Shares of £1 each	<u>1,500,000</u>	<u>£1,500,000</u>	<u>1,500,000</u>	<u>£1,500,000</u>
	<u>1999</u>	<u>1999</u>	<u>1998</u>	<u>1998</u>
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
<b>Alloted, Called Up and Fully Paid</b>				
Ordinary Shares of £1 each	<u>784,056</u>	<u>£784,056</u>	<u>784,056</u>	<u>£784,056</u>

**17. RESERVES**

	<u>Share Premium Account</u>	<u>Profit &amp; Loss Account</u>
	<u>£</u>	<u>£</u>
<b>GROUP</b>		
At 1st January 1999	703,689	(965,837)
Profit for the year	-	16,030
At 31 December 1999	<u>£ 703,689</u>	<u>£ (949,807)</u>
<b>COMPANY</b>		
At 1st January 1999	703,689	(965,892)
Profit for the year	-	16,270
At 31 December 1999	<u>£ 703,689</u>	<u>£ (949,622)</u>

**DUNCAN BAIRD PUBLISHERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31ST DECEMBER 1999****18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>Group</u> <u>1999</u> <u>£</u>	<u>Group</u> <u>1998</u> <u>£</u>	<u>Company</u> <u>1999</u> <u>£</u>	<u>Company</u> <u>1998</u> <u>£</u>
Profit/(Loss) for the year	16,030	6,643	16,270	(4,439)
Share Capital Subscribed	-	430,002	-	430,002
Shareholders' Funds at 1st January	<u>521,908</u>	<u>85,263</u>	<u>521,853</u>	<u>96,290</u>
Shareholders' Funds at 31st December	<u>£ 537,938</u>	<u>£ 521,908</u>	<u>£ 538,123</u>	<u>£ 521,853</u>

**19. OPERATING LEASE COMMITMENTS**

At 31st December the group had annual commitments under non-cancellable operating leases as follows:

	<u>Land and Buildings</u>	
	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Expiring between two and five years	91,597	-
Expiring in over five years	-	38,400
	<u>£ 91,597</u>	<u>£ 38,400</u>

**20. CONTROL**

The company is controlled by its board of directors.